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DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON 25, D. C.

SAC 26379  
COPY 1 OF 2

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REPLY TO:

Auditor General  
Comptroller, USAF  
Hq Western District  
1206 Maple Avenue (Room 916)  
Los Angeles 15, California

8 April 1958

Dear Dan:

Our auditor obtained some additional information regarding G&A rates applicable to the Baltimore contractor during his recent visit to that location.

Inasmuch as negotiations for proposals under Contract No. FL-3011 have not been consummated, this information is passed on to you for your further consideration:

- (a) Where 1956 costs were involved, the auditor used a rate of 12% for G&A expense. The cognizant service auditor has now advised that the rate finally negotiated for 1956 for cost-type contracts is 11%.
- (b) Where 1957 costs were involved, the auditor used a rate of 15% for G&A expense. It is now the opinion or estimate of the cognizant service auditor that the G&A rate to be negotiated for the year 1957 for cost-type contracts will approximate 14%.

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